

**MINUTES OF THE PROCEEDINGS  
OF THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF JORDAN  
IN THE COUNTY OF SCOTT  
October 20, 2020**

1.0 CALL TO ORDER

**Present:** Ryan Dahnert, Joe Thill, Dr. Chuck Cook, Derek Nelson, Shane Ahlbrecht, Honorable Tanya Velishek

**Also Present:** Nathan Fuerst, Planner/Economic Development Specialist; Tom Nikunen, City Administrator; Reeve Needham, Planning Intern

**Absent:** Dr. Amanda Schuh

Meeting called to order at 6:32 pm.

2.0 ADOPT AGENDA

**Motion by Thill, second Ahlbrecht to adopt the agenda. Vote all ayes. Motion carried.**

3.0 APPROVAL OF MINUTES

A. September 15, 2020

**Motion by Ahlbrecht, second Thill to approve the minutes as presented. Vote all ayes. Motion carried.**

4.0 NEW BUSINESS

A. Economic Development Comp Plan Chapter Presentation

Fuerst presents on Chapter 8 of the 2040 Comprehensive Plan on Economic Competitiveness. The largest employment sectors are retail trade, construction, and food service. The major employers are the public schools, S.M. Hentges and Sons, Minger construction and the City of Jordan.

Ahlbrecht asked if there was a waiting list for the Brentwood senior apartments. Velishek explains that there is a growing need for senior housing with the Brentwood Court Apartments full and the new Brentwood Terrace apartments has a waiting list. Fuerst explained that Brentwood Terrace is already 60-70% full. Nikunen said that we have the most senior housing per capita in the county and the two Brentwood complexes have a total of 109 units. Fuerst explained that there are a variety of housing types under lifecycle housing, including assisted living, independent housing, including senior villas as the first step.

Dr. Cook asked about how the public schools fall under the Employment by Industry graph. Fuerst said the data is from the Met Council, so categories are a little different, likely falling

under “Other Industries.” Fuerst presents that as a proxy to see where Jordan residents are working, we look at the travel time to work. There is a growing trend in the US where commuting times are increasing from pre-COVID data. Nikunen asked if the numbers are due to the orderly annexation agreements limited to 10 years in the future. Fuerst said the future land use map includes the orderly annexation agreements, but that the City could develop faster in some areas not predicted. Overall, the number of establishments is decreasing, but the number of employees and wages are increasing. Dahnert asked if this data was readily available and accessible. Fuerst said the numbers will be updated next spring with new Census data. Dahnert said it would be good to track this data annually, and to look at DEED for business registration data. Fuerst went over the Strategic Plan highlighting the goals for business development, improving downtown, increasing the employment base, building stakeholder relationships, and building the highway commercial district.

#### B. TIF & Abatement 101

Nikunen presents on various economic development tools available from the City. Last week, the EDA learned about downtown matching grants which includes the façade grants and the building code improvements. Jobs for fees is another program, which was only been awarded once so far and has similar application criteria to abatement, that allows the employer to pay down the building permit. The commercial kitchen loan has only been awarded once to Mousse Winery. Dahnert asked about the status of their repayment. Nikunen explained that they started repayment after they received financing and have been paying on time. For projects under a million dollars, abatement is usually used, whereas TIF is used for projects over a million dollars. For both, the applicant pays taxes on the base value of the property and not on any improvements. Without the assistance, the project would not have happened and it doesn't negatively impact any business. Dahnert asked for clarification on the base value. Nikunen explained this refers to the tax value on the land. Abatement is shorter term, for 15 years, and TIF is longer term, up to 26 years. Dahnert asked if the City Council has a preference. Nikunen said they have preferred the shorter term projects. Some examples include the Minnesota Valley Electric Corporation, Holiday, and McDonald's. Since 2015, there haven't been many projects. Ahlbrecht asked why Caribou Coffee and Taco Bell didn't apply. Fuerst explains that to receive the funding, the applicant must demonstrate that they couldn't do the project but for the funding. Nikunen says that the Jordan Valley Townhomes and Brentwood apartments have expanded their units using the financing. Full payments begin after the project is completely finished. The City works with a bond attorney and other professionals to prepare the documents. For TIF, if the applicant meets the qualifications, the City and School District cannot deny it. For abatement, the School District typically does deny it and it's just city taxes. Every year the City reports on the participating businesses and how they're meeting the goals of the agreement or else the payments can be taken away. Ahlbrecht asked if the taxes rise at the end of the abatement/TIF. Nikunen replies yes and that currently we have 3 TIF districts and 3 abatements. Jordan has been more aggressive in using financing compared to other Scott County communities.

#### C. EDA Budget Presentation

Nikunen presents the EDA budget, explained that the levy increase in August did not pass. The EDA budget has been gradually increasing every year based on the growing tax capacity of the

City. Dahnert asked if this is based on MN Statute. Nikunen explained that the EDA is the acting Housing and Redevelopment Authority (HRA) for the City. Typically, the EDA does not spend the entire budget. There is \$50,000 dedicated every year for the implementation of the Downtown Master Vision over 20 years. There has been an increase in the requests for downtown loans and the EDA has expressed interest in increasing marketing efforts. Dahnert asked if HRA funds are levied separately and then transferred from the general fund. Nikunen clarified that the HRA funds are semi-restricted, they can be used for redevelopment which is a lot of the work on older community in Jordan including the downtown and some housing projects.

## 5.0 OLD BUSINESS

### A. Downtown Matching Grant Text Changes

Fuerst presented the three sections that are changing to clarify any problematic sections and showed the redlined version. The size of the grant was modified to remove the case-by-case language and places a limit on the size of the grant. The grant payments section was modified to clarify what constitutes the “project” and to place responsibility on the applicant for their invoicing. The timing of grant funds was changed to reflect how the policy has been applied, adding in the City Council as the final governing body. Dahnert applauded the clarification and changes.

**Ahlbrecht motions, Cook seconds to approve the redlined changes as proposed and to send to City Council for approval. All ayes. Motion carried.**

## 6.0 MANAGEMENT REPORT

### A. General Management Updates

Nikunen announced that the Dakota sketch plan was presented at City Council last night, a development with about 400 lots in a variety of styles. Fuerst explained this was the beginning of the planning process and the next steps will be an environmental assessment worksheet (EAW), annexation, and platting. Dahnert asked who performed the EAW. Fuerst said a specialized private firm does the work. Fuerst explained that while the property is not currently within the city limits, because of the orderly annexation agreement, the state will allow the City to be the Regulatory Government Unit. Ahlbrecht asked if all the homes would be affordable. Nikunen clarified that only some of the lots would be smaller and more affordable, other lots will be larger. Dahnert asked if the affordable homes were workforce housing. Nikunen clarified that the homes are not workforce housing, just starter homes. Dahnert asked about the park space. Nikunen explained the plan is to go to the Parks and Recreation Advisory Committee in November and then back to City Council. Ahlbrecht asked about the remaining lots in Bridle Creek. Fuerst explained that Bridle Creek has a preliminary plat by Ames and the homes are built after the property is sold, so it's a slower, more flexible development.

Nikunen explained that the next marketing video is on hold until spring due to COVID. Dahnert suggested including more people in the next video. Ahlbrecht asked if the Southwest Interceptor is the project next to the new Dakota development. Nikunen said this will be finished soon and will help the Dakota process along. Dahnert asked about the Highway 21 bridge. Nikunen replied the bridge will open up in the first week of November.

Ahlbrecht asked for an update on the Highway 169 interchange funding. Velishek said she signed the application that was sent recently, so the project is moving forward. Nikunen hopes that the success of this grant will lead to more grant funding. Dahnert asked if the Highway 21 roundabout would be completed in one season. Nikunen said it will be completed in 2021 and that next meeting the EDA will be shown the staging plans and how that affects the businesses. Ahlbrecht noted that Dream Nails was reopening today. Velishek said the City made good use of the CARES funding for businesses and the ambulance garage. Ahlbrecht suggested highlighting progress once a month for the funded businesses.

Dahnert directed staff to sign EDA members up for City updates through the newsletter for other meetings and commissions to stay up to date.

B. Next Meeting- November 17<sup>th</sup>, 2020

7.0 CITY COUNCIL MEMBER UPDATE

8.0 COMMISSION MEMBER REPORT

Ahlbrecht applauded the Honorable Velishek and other City Councilors for all their hard work and dedicated time to the City.

9.0 ADJOURNMENT

**Motion by Velishek, second Ahlbrecht to adjourn at 7:34pm. Vote all ayes. Motion carried.**